



JEFFERSON COUNTY COMMISSION

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PRESIDENT
Caleb Wayne Hudson

January 30, 2022

VICE PRESIDENT
Stephen Stolipher

Honorable Commissioners
Jefferson County, West Virginia

COMMISSIONER
Jane Tabb

I present to you the Fiscal Year 2023 operating and capital improvements program (CIP) budget requests from department heads, elected officials, and community organizations for Jefferson County. The budget document for FY23 represents the dedicated work of the County's senior leadership and support staff over the past several months. Adoption of the budget is one of the most important actions taken each year. The County's annual budget applies resources in an effective and responsible manner consistent with the policy direction set forth by the Jefferson County Commission. In the next few months, difficult decisions will be made to develop a balanced budget while allocating the county's scarce resources and maintaining sound financial management practices. The FY23 budget and outlook for future years comes with financial challenges that must be taken into consideration during the balancing process.

COMMISSIONER
Tricia Jackson

COMMISSIONER
Clare Ath

The last two years have been especially challenging for Jefferson County. National, state, county and private organizations have been negatively impacted by the COVID19 pandemic expenditure increases, office closures, and reductions in business hours and capacity. In response to the COVID19 pandemic, the County implemented sound financial management policies to counter the effects of revenue losses by deferring expenditures for capital projects, delaying filling of vacancies and deferring discretionary spending for travel, education, equipment, materials and supplies.

The economy is expected to rebound slowly over the next few fiscal years; and, the county experienced revenue growth in FY21 over FY20 in federal grants, gambling, permitting and property transfer tax revenue. This growth trend has continued into FY22 as the local economy begins to recover. Additionally, FY23's revenue projections reflect the addition of American Rescue Plan Act (ARPA) federal grant funding. The federal government enacted ARPA to provide state and local governments with funding to supplant revenue loss and offset expenditure increases that resulted from the COVID19 pandemic. Additionally, revenue projections include increases that resulted from legislative changes that took effect on July 1, 2021 related to the state's distribution of property transfer tax for real property. The County has experienced multiple years of lean operations and repeated deferment of capital projects, employee salary increases, and operating expenditures; and, as a result, many departments included requests for operating increases.

FY2023 Budget Focus

The FY23 budget continues to include recognition of the service provided by County employees through the proposed merit increases, pay equity adjustments, and a cost of living adjustment for employees. Numerous requests for position additions have been received and are needed to enhance and maintain needed levels of services provided. Additionally, the budget includes projects that promote planning for future capital outlay needs.

The FY23 requests for operating expenditure allocations for the General Fund totals \$31.4 million, an increase of 20.7% over last year's total operating budget of \$26.0 million. Total estimated revenue for FY23 is estimated at \$28.3 million. This is an 8.0% increase (\$2.1 million) over FY22's revised budgeted revenue of

County Administrator
John Nissel

Deputy County Administrator
Sandy Slusher McDonald

\$26.0 million. The increase is primarily a result of projected increases in assessable base growth for real and personal property tax (\$474,000), increases in property transfer tax (\$543,000), and gambling revenue (\$782,000). Transfers from other funds also includes ARPA federal grant revenue (\$800,000) for estimated lost revenue that resulted from the COVID19 pandemic.

Assessable Base & Tax Levy Rate

Assessable Base. In FY14, the assessable base decreased to a low of \$3.0 billion; however, the assessable base has been recovering in recent years. In FY23, it is projected that the total property assessable base will increase by 9.1% (from 3.98 billion to 4.33 billion). This is a good economic indicator and shows that market values for county property are on the rise. In FY23, new construction is estimated to be \$74 million and is consistent with prior year figures for new construction. Because total property values are expected to increase in FY23, the County may experience a change in the levy rate. The max levy rate was reached in FY19. The County normally realizes a tax revenue increase of approximately \$500,000; and, the FY23 budget includes a tax revenue increase of \$474,000.

The assessable base for class II owner occupied real property is projected to increase by 12.29%. At the time that revenue estimates were prepared in December 2021, assessment values for personal property and utilities were not completed. Those figures will be revised in late February. For projection purposes, 1.75% and 1.15% increases respectively were included based on historical trends. The assessable base broken down by category is estimated as follows:

	<u>Real Prop</u>	<u>% Chg</u>	<u>Pers Prop</u>	<u>% Chg</u>	<u>Utilities</u>	<u>% Chg</u>	<u>Total Assess</u>	<u>% Chg</u>
Tax Year 2022 for FY2023 ESTIMATED								
Grand Total	3,824,082,110	10.23%	348,623,225	1.75%	165,366,867	1.15%	4,338,072,202	9.12%
Tax Year 2021 for FY2022								
Grand Total	3,469,208,750	2.85%	342,641,290	1.05%	163,494,117	-2.07%	3,975,344,157	2.48%

Tax Levy Rate. According to *WV Code 11-8-6e*, the County is permitted to increase the Levy Rate each year without a public hearing as long as the levy rate increase doesn't result in an increase of more than 1% of the prior year projected property tax revenue. It is anticipated that in FY23, the levy rate for the County may change for the first time since FY19 when the county reached the State's max levy rate of \$28.60 cents per \$100 of assessed value for Class II properties (see table below). The Levy Rate and Max Levy Rate by Class in cents per \$100 of assessed value for FY20 and the previous four (4) fiscal years is as follows:

Fiscal Year	<u>Levy Rate by Class</u>				<u>% Inc/(Dec)</u>	<u>Max Levy Rate by Class</u>			
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>		<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>
2023 Projected	13.68	27.36	54.72	54.72	-4.34%	14.30	28.60	57.20	57.20
2022	14.30	28.60	57.20	57.20	0.00%	14.30	28.60	57.20	57.20
2021	14.30	28.60	57.20	57.20	0.00%	14.30	28.60	57.20	57.20
2020	14.30	28.60	57.20	57.20	0.00%	14.30	28.60	57.20	57.20
2019	14.30	28.60	57.20	57.20	0.36%	14.30	28.60	57.20	57.20

Even though the FY23 levy rate is projected to decrease, some property owners may still see an increase in their annual tax bill due to the 12.29% increase in property assessment values. Owners with property value increases due to market and economic growth may experience an increase in their annual tax bills.

As other major events occur, **future increases to other revenue sources in the form of user fees may be needed to generate sufficient revenues to support current services.** As an alternative, expenditure cuts that would result in reductions in operations, reduced service levels, or shifting services to other service providers may need to be considered. In addition to the continued COVID19 pandemic business closures, other major events that could impact the County could include another economic or construction downturn causing loss

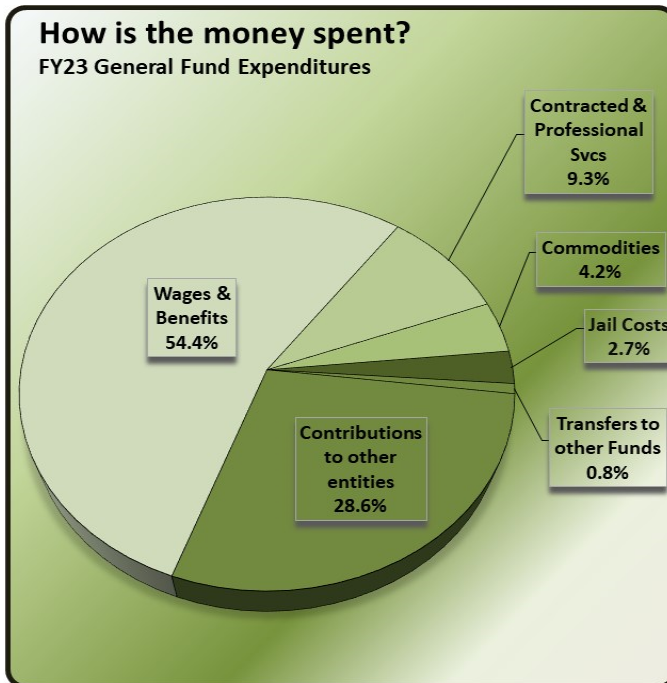
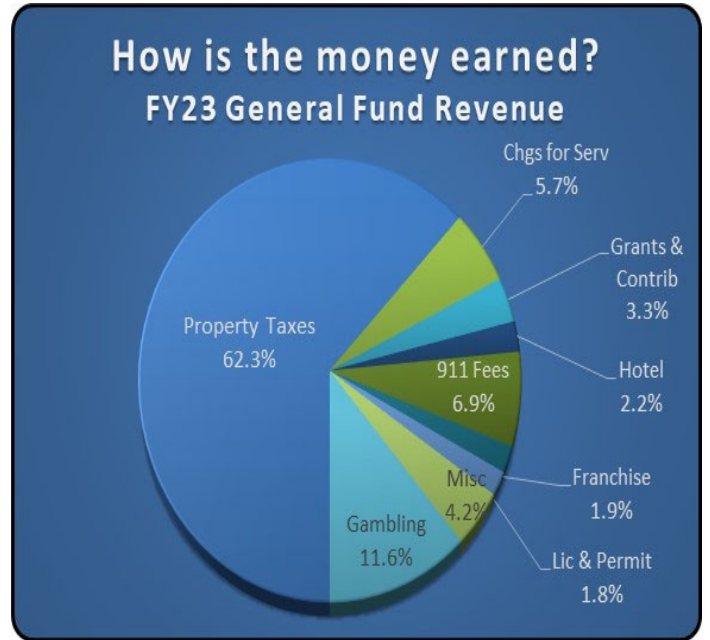
of revenue. Based on revenue projections and department requests for FY23, and Capital Outlay needs for FY23 and future years, the Commission must make approximately \$3.3 million in expenditure cuts or revenue additions to balance the budget for FY23.

Where does the money come from? Where does the money go?

Jefferson County Commission
 General Fund

Revenue by Type	FY23 Budget		FY22 Budget	
Property Taxes	18,216,091	62.3%	17,196,954	65.6%
Charges for Services	1,671,085	5.7%	1,669,652	6.4%
Grants & Contributions	972,500	3.3%	82,843	0.3%
Hotel Occupancy Taxes	656,600	2.2%	638,220	2.4%
911 Fees	2,009,900	6.9%	1,962,900	7.5%
Franchise Agreements	568,600	1.9%	577,300	2.2%
Licenses & Permits	515,000	1.8%	464,400	1.8%
Miscellaneous	1,228,744	4.2%	1,124,402	4.3%
Gambling Revenue	3,386,100	11.6%	2,480,200	9.5%
Total Revenues	29,224,620		26,196,871	

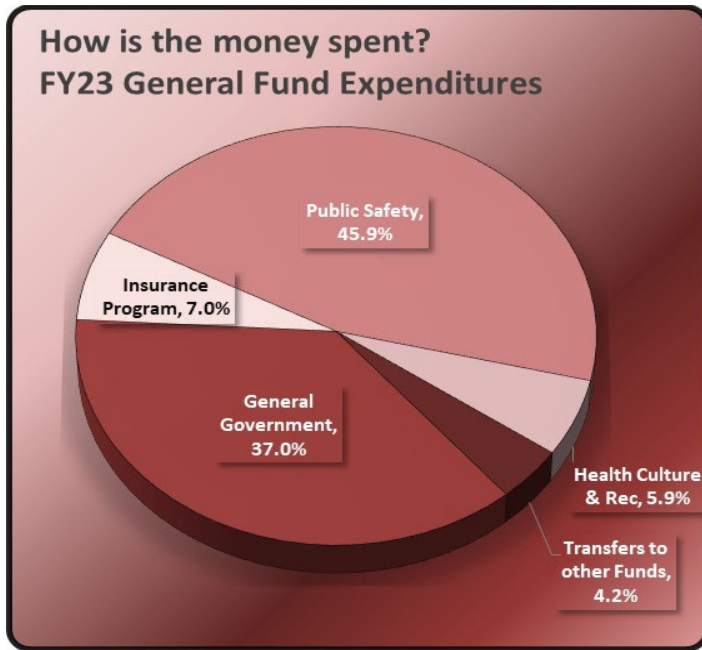
Revenue from the General Fund comes primarily from Taxes at 62.3% or \$18.2 million for FY23's Budget. Taxes consist of real and personal property taxes, gas & oil tax, horse racing, and hotel occupancy tax. Gambling revenue and 911 Fees make up the next largest revenue sources at 11.6% or \$3.4 million and 6.9% or \$2.0 million respectively. Total revenue is estimated at \$29.2 million for FY23's budget.



Jefferson County Commission
 General Fund

Expenditure by Object	FY23 Budget		FY22 Budget	
Wages & Benefits	17,229,633	52.6%	15,020,765	51.2%
Contracted & Professional Svcs	2,939,870	9.0%	2,675,703	9.1%
Commodities	1,330,112	4.1%	1,119,306	3.8%
Jail Costs	850,000	2.6%	850,000	2.9%
Transfers to other Funds	260,006	0.8%	257,155	0.9%
Contributions to other entities	9,062,226	27.7%	6,351,179	21.6%
Capital Outlay	1,069,300	3.3%	3,087,995	10.5%
Total Expenditures	32,741,147		29,362,103	
Net Surplus (Deficit)	(4,436,527)		(3,361,953)	

Wages & Benefits are the largest General Fund expenditure at 52.6% or \$17.2 million for FY23's Budget. Other significant expenditures include \$9.1 million in Contributions and Transfers and \$0.9 million in Jail Costs. Total expenditures requests are \$32.7 million for FY23's budget.



Jefferson County Commission
 General Fund

<u>Expenditures by Type</u>	<u>FY23 Budget</u>		<u>FY22 Budget</u>	
General Government	12,116,487	37.0%	10,684,082	36.4%
Insurance Program	2,279,846	7.0%	2,257,807	7.7%
Public Safety	15,032,556	45.9%	11,508,421	39.2%
Health Culture & Rec	1,945,952	5.9%	1,526,643	5.2%
Transfers to other Funds	1,366,306	4.2%	3,385,150	11.5%
Total Expenditures	32,741,147		29,362,103	

The County provides a variety of services, and the largest expense is for Public Safety at 45.9% of the FY23 submitted budget or \$15.0 million. Public Safety includes personnel and operating expenditures to maintain the County’s police department, emergency services, and the 911 communications center. General Government makes up the next largest component at 37.0% or \$12.1 million in submissions for FY23. General Government includes personnel and operating expenditures for departments like the County and Circuit Court Clerks, Assessor, Tax Office, Engineering, Planning, Zoning and Maintenance.

Employee Salary and Benefits

In recognition of the outstanding service provided by employees for Jefferson County, the FY23 budget request includes a salary increases for full-time employees and permanent Sheriff’s Officers. Future employee merit increases or cost of living adjustments will be evaluated for affordability annually during the budgetary process. Additionally, it is estimated that the County’s medical insurance costs will increase by 5% or \$115,000 in FY23. It is anticipated that this increase will be shared between employees and the County. An estimated increase of 4-7% or \$115,000 is included for medical insurance benefits provided to full-time employees.

Additional department requests are outlined in the Department Highlights section.

Department Request Highlights

401-County Commission

Includes \$75,000 for employee COLA; \$195,000 for employee merit increases; \$ 1,020,000 and \$750,000 for employee salary equity adjustments.

402 & 413-County Clerk

The County Clerk is requesting \$12,000 for salary increases for department employees, and \$5,000 for book repairs. Elections is seeking \$11,000 for materials & supplies and training. 28,000

404-Sheriff’s Tax Office

Requesting 2 new tax deputies (\$95,000); and employee Merit increases (\$8,600) 103,600

407-Assessor’s Valuation Fund

Requesting \$50,000 for employee increases funded by the assessor's valuation fund. 50,000

Department Request Highlights-continued

428-Information Technology Department

Requesting \$23,000 for promotions related to four (4) employees; increases of \$60,000 in annual software and licensing, \$12,000 for a part time employee that is 90% grant funded. The increases are offset by \$59,000 in decreases to computer hardware. 36,000

431-Jefferson County Development Authority

Requesting increases to marketing (\$37,500); engineering (\$34,000); Other operating (\$23,000). Increases are offset by a \$20,000 decrease in legal services. 74,500

440-Engineering, Planning & Zoning

The department is asking for 2 new positions (a Building Inspector and a County Planner) and to upgrade 1 existing position (the Zoning Administrator to Deputy Director of Planning and Zoning). 166,405

700-Law Enforcement

1) The Sheriff would like additional funds for operating costs. 56,000

2) The Sheriff is requesting additional funds for overtime (from \$265,000 to \$326,000). 60,000

3) Sheriff is requesting the addition of 6 deputies (\$462,000) and 3 FT Bailiffs (\$65,000). 527,000

4) Sheriff is requesting PT Wage increases (\$18,000) and PT Bailiff wage increases (\$215,000) 233,000

5) Sheriff is requesting wage increases for: Merit increases (\$119,000); discretionary promotions (\$26,000); Sign on bonuses (\$32,600); shift differential (\$10,000); and a new pay scale (\$8,000). 195,600

704-Regional Jail

Decrease based on FY21 History

712-911 Communication Center

The department is requesting \$124,000 priority dispatch and spillman enhancements; \$108,000 to replace radio back ups at PSAP and Blue Ridge; and \$49,000 for motorola APX base station console replacements. 281,000

713-Fire Departments

No request was received from Fire departments -

715-JCESA

Requesting the addition of twenty-nine (29) new full time staff members (total 2,505,321 at 86,390 each) and increases for existing staff. 2,650,453

Department Request Highlights-continued

716-Animal Control

Sheriff is requesting the addition of one (1) new position (\$47,000); merit increases (\$3,600); salary adjustments (\$5,800); and overtime (\$8,200). 64,600

717-Central Garage

The department is requesting the addition of one (1) new position and included increases for fuel based on the current cost trend. 74,331

908-Jefferson County Community Ministries

Requesting \$80,000 (an increase of \$40,000). 80,000

909-Historic Commission

Requesting an additional \$25,000 as a WVDOH grant match to convert Duffields Depot into a museum 25,000

916-Libraries

Requesting an additional \$69,000 to fund County library operating costs. 69,000

950-CASA

CASA is asking for an increase from \$5,000 in FY22 to \$10,000 in FY23 10,000

952-Senior Citizens

Jefferson County Council on Aging is requesting new funding to cover the local portion of a grant match for meals for older citizens. 14,382

953-Public Transit

The EPTA is requesting funds as local match for federal funding (an increase of 40,000 from 60,000 in FY22). 60,000

The EWVRAA (Airport) is asking for 5,000 for the board seat and 34,370 for field maintenance. 39,370

Budget Schedule

County departments, component units, and community agencies will present their FY23 budget request to the Commission from February 8 through February 11, 2022, and budget balancing will commence the following week through February 28, 2022. All meetings are open to the public either in person or via a virtual platform and can be viewed online at the County's website www.jeffersoncountywv.org. A Special Session to approve the Fiscal Year 2023 Budget will be held at the end of March 2022 and must be held prior to March 28th. Lastly, a Special Session to Lay the Levy for Fiscal Year 2023 will be held on April 19, 2022.

The preparation of the budget each year is a significant undertaking by all County Departments, and I wish to express my appreciation to everyone who assisted in the development of the FY23 Budget.

Sincerely,

Michelle Gordon
Finance Consultant
mgordon@jeffersoncountywv.org

**Jefferson County Commission
FY23 Budget**

Date Prepared: 01/30/2022

Department	No.	FY2020 Actual	FY2021 Actual	FY2022 Budget	FY2023 Submitted Budget	% Chg
Expenditures by Dept						
Commission	401	2,035,611	1,803,380	1,708,048	1,671,800	-2.12%
Merit Increase		-	-	-	195,000	
COLA		-	-	-	75,000	
Equity Adjustment		-	-	-	750,000	
New Req-Airport		-	-	-	-	
County Clerk	402	740,849	589,639	650,724	669,235	2.84%
Circuit Clerk	403	631,483	499,127	522,593	518,748	-0.74%
Sheriff's Tax Office	404	512,826	468,723	492,866	573,881	16.44%
Prosecuting Attorney	405	1,839,523	1,609,605	1,702,500	1,648,599	-3.17%
Assessor	406	507,400	432,908	439,385	448,795	2.14%
Assesor Valuation Fund	407	519,867	506,210	563,493	612,705	8.73%
State Wide Computer Network	408	32,984	55,461	60,000	60,000	0.00%
Agricultural Agent	412	126,621	109,002	116,113	118,541	2.09%
County Clerk Elections	413	321,820	276,941	268,953	279,743	4.01%
Magistrate Court	415	2,966	3,042	3,000	3,200	6.67%
Civil Service Commission	421	-	-	-	20,000	100.00%
Insurance Program	423	-	1,895,494	2,257,807	2,164,846	-4.12%
Insurance Premium Increase 4-7%		-	-	-	115,000	
Maintenance Dept	424	1,038,506	1,010,205	1,062,344	1,065,858	0.33%
Other Building	425	607,620	706,351	726,300	732,300	0.83%
Data Processing (IT)	428	519,882	603,975	812,537	839,854	3.36%
RDA	429	19,795	29,973	29,974	35,844	19.58%
EC Development	431	528,383	452,326	453,382	584,052	28.82%
Engineering, Planning, Zoning, GIS	440	1,472,453	1,147,497	1,071,870	1,213,332	13.20%
Transfers to Other Entities	697	38,193	27,905	40,000	37,000	100.00%
Law Enforcement	700	4,201,139	3,887,612	3,465,836	4,427,049	27.73%
Service of Process	701	9,006	18,900	15,175	11,412	-24.80%
Regional Jail	704	759,070	674,246	850,000	850,000	0.00%
Homeland Security	711	233,985	176,485	238,221	227,443	-4.52%
Communication Center (911)	712	1,907,582	1,756,447	1,959,663	2,224,943	13.54%
Fire	713	577,500	577,052	490,000	-	-100.00%
JCESA - Ambulance	715	3,179,476	3,699,014	3,939,138	6,622,638	68.12%
Animal Control	716	238,373	238,156	238,994	291,916	22.14%
Central Garage	717	255,317	261,176	311,394	377,154	21.12%
Health Department	800	80,380	80,782	81,186	81,592	0.50%
Landfill	808	-	-	-	-	
Parks and Recreation	900	675,974	984,338	704,682	835,729	18.60%
Arts and Humanities	903	12,010	16,775	12,764	13,132	2.88%
Community Center	908	-	-	-	80,000	100.00%
Historical Commission	909	17,784	24,840	18,901	44,445	135.15%
Visitors Bureau	911	307,758	523,482	319,110	328,300	2.88%
Library	916	330,000	330,000	330,000	399,002	20.91%
Social Services (CASA)	950	-	-	-	10,000	100.00%
Senior Citizens	952	-	-	-	14,382	100.00%
Public Transit	953	60,000	30,000	60,000	139,370	132.28%
Total Expenditures		\$ 24,342,136	\$ 25,507,069	\$ 26,016,953	\$ 31,411,840	20.74%
Revenue		\$ 28,406,412	\$ 29,792,578	\$ 26,192,408	\$ 28,304,620	8.06%
Operating Surplus / (Deficit)		\$ 4,064,276	\$ 4,285,509	\$ 175,455	\$ (3,107,220)	
Contingencies						
Contingency for Emergencies	699	\$ -	\$ -	\$ 196,721	\$ 200,000	1.67%
Operating Surplus / (Deficit) After Contingency for Emergency		4,064,276	4,285,509	(21,266)	(3,307,220)	
Transfers to Other Funds						
Trns to Capital Fund (5% Gambling)	698	\$ 600,000	\$ 630,000	\$ 899,350	\$ 1,069,300	
Trns to Capital Fund	698	-	7,397,155	2,188,645	-	
Subtotal Trns to C/O Fund		600,000	8,027,155	3,087,995	1,069,300	-65.37%
Trns to ARPA Fund	388	-	(1,534,634)	-	(800,000)	
Trns (from) to Other Funds	698	(101,429)	(126,359)	252,692	(59,994)	
Total Transfers Out of General Fund		\$ 498,571	\$ 6,366,162	\$ 3,340,687	\$ 209,306	-93.73%
Net Use of Funds - Surplus / (Deficit)		\$ 3,565,705	\$ (2,080,653)	\$ (3,361,953)	\$ (3,516,526)	
Beginning Fund Balance	299001	\$ 6,303,575	\$ 9,869,280	\$ 7,788,627	\$ 5,325,979	
Net Change in Fund Balance		3,565,705	(2,080,653)	(3,361,953)	(3,516,526)	
Ending Fund Balance	699	\$ 9,869,280	\$ 7,788,627	\$ 4,426,674	\$ 1,809,453	
Fund Balance as a % of Oper Exp		40.54%	30.54%	17.01%	5.76%	
Fund Balance Reserve Policy						
JCC Policy Minimum of 16.67% of Exp		\$ 4,057,834	\$ 4,252,028	\$ 4,337,026	\$ 5,236,354	
JCC Goal of 20.00% of Expenditures		\$ 4,868,427	\$ 5,101,414	\$ 5,203,391	\$ 6,282,368	
State Required 10.0% of Expenditures		\$ 2,434,214	\$ 2,550,707	\$ 2,601,695	\$ 3,141,184	